



Nasdaq to Acquire Verafin

Creating the World's Leading Financial Crime Fighting Network
Accelerating our Evolution as a SaaS Technology Provider

November 19, 2020



Agenda

1 Executive Summary

2 Verafin is a leader in combating Money Laundering & Fraud

3 The combination of Nasdaq with Verafin creates a leader in Anti FinCrime

4 Meets all of Nasdaq's M&A criteria, catalyzes higher growth and raises our valuation potential

A large circular graphic with a blue-to-purple gradient background. Inside the circle, the Nasdaq logo (a stylized 'N') is positioned above the word 'Nasdaq'. Below that, the word 'VERAFIN' is written in a bold, white, sans-serif font.

Nasdaq
VERAFIN

Nasdaq to Acquire Verafin

Creating the World's Leading Financial Crime Fighting Network Accelerating our Evolution as a SaaS Technology Provider

✓	Advances our strategic pivot to a SaaS-enabled technology and analytics provider	<ul style="list-style-type: none">Increases expected revenue contribution from the highest-growth Market Technology and Investment Intelligence segments to approximately 47% of pro forma third quarter of 2020 total net revenues¹Expands the percentage of Nasdaq's ARR² coming from SaaS products and servicesMarket Technology medium-term organic revenue growth outlook³ improves 500 basis points, from 8%-11% to 13%-16%, with higher contribution from ARR and SaaS
✓	Leading position in attractive markets	<ul style="list-style-type: none">Combination with Verafin makes Nasdaq a global leader in Anti FinCrime, with strong positioning in trade surveillance, anti-money laundering and fraud preventionAnti FinCrime is a \$12.5B segment expected to grow at 17% through 2024⁴
✓	Meets all of Nasdaq's acquisition criteria	<ul style="list-style-type: none">Strong strategic and cultural fitIncreases Solutions Segments medium-term organic growth³ outlook to 6-9% (from 5-7%), which, in combination with increasing SaaS contribution, raises Nasdaq's valuation potentialExpected to deliver non-GAAP EPS³ accretion beginning in 2022, achieve an attractive IRR, and generate required return on invested capital (ROIC)³ objectives

¹ Represents revenues less transaction-based expenses and excludes the impact of the purchase accounting write-down on deferred revenue.

² See supplemental information section at the end of this presentation for a discussion of ARR.

³ Refer to the non-GAAP information section of this release for a discussion of this and other non-GAAP measures.

⁴ Source: Oliver Wyman

Transaction Overview

Purchase Price	<ul style="list-style-type: none">• Purchase price of \$2.75B, subject to customary adjustments• Valuation represents ~19.5x 2021E revenue², in-line with other leading SaaS companies
Financial Detail	<ul style="list-style-type: none">• Verafin: In excess of \$140M² of estimated 2021 revenue, representing approximately 30% year-over-year growth• SaaS business model with 97% recurring revenue• Verafin's 2017-2020E projected organic revenue CAGR ~30%, projected non-GAAP¹ EBITDA margin of 26% in 2020E• Increases Market Technology's medium-term organic revenue growth outlook to 13%-16% (from 8%-11%)
Financing & Balance Sheet	<ul style="list-style-type: none">• Financed through a combination of bonds, term loan, commercial paper and cash<ul style="list-style-type: none">– Expect leverage of approximately 3.9x at close– Expect to de-lever over time, consistent with our current investment grade ratings• Nasdaq intends to continue to execute its existing dividend policy and share repurchase program
Conditions / Timing	<ul style="list-style-type: none">• Transaction is subject to regulatory approvals, and other customary closing conditions• Expect closing in Q1 2021

Verafin Is a Leader in Combating Money Laundering & Fraud



Financial Crime is a Large and Challenging Problem Today



Disparate silos and fragmented universe of offerings



Operational inefficiencies



Antiquated risk detection technologies

~\$2T

Laundered annually

1-2%

Of Global GDP

<1%

Criminal funds frozen/confiscated

Anti FinCrime Space is Large and Growing

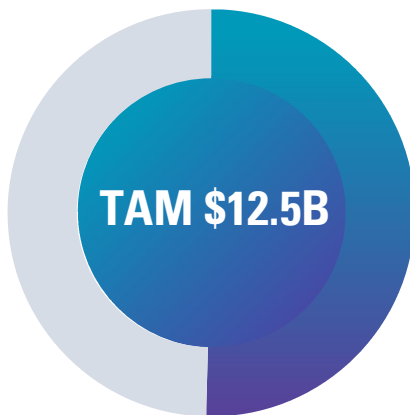
Anti FinCrime

TAM / SAM

Expected to grow at 17%

CAGR through 2024¹

Surveillance + AML
+ Fraud SAM \$6.3B



1. **Fraud** - prevalence and sophistication of players continues to rise
2. **Regulation** – regulators continuously demanding improvements
3. **Convergence** – firms are combining anti-financial crime teams to better share and analyze information
4. **Technology transformation** – firms are increasingly turning to outsourced solutions, which leverage disruptive technologies to deliver better insights and automate processes to maximize the impact of their finite compliance resources

Verafin is a Leader with Attractive Financial Profile

Leading Fraud & AML Ecosystem



17 Years

Of continued software, product and services innovation



48

Industry Endorsements by National and State Associations

Attractive Business Metrics



>2,000

Customers



98%

Retention Rate by # of Clients

Exceptional Financial Metrics



30%+

Organic revenue CAGR (2017A-2021E)



97%

Recurring Revenue

Verafin's Comprehensive Platform Delivers Critical Capabilities

Full Service Financial Crime Management Platform



Verafin's Key Differentiators and Value Proposition

- ✓ Native cloud-based SaaS delivery allows instant access to massive data sets
- ✓ Increases risk alert accuracy and efficiency
- ✓ Interactive visualization and investigation tools
- ✓ Integrated case management & collaborative inter-firm investigations
- ✓ Information sharing among 314(b) institutions

Verafin's Customers & Untapped End Markets

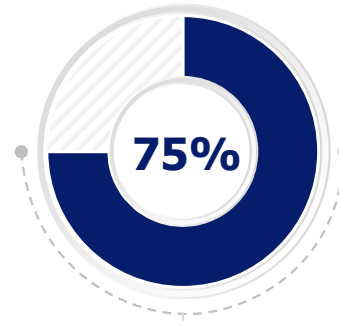
Current Clients

>2,000 banks & credit unions
spanning retail and commercial

98% of ARR from clients
with less than \$50B assets

Top 20 clients combined
contribute only 11% of revenue

Sizable Untapped Opportunities



North American
Tier 3-5 institutions¹

Verafin has only penetrated
25% of total North American
Tier 3-5 institutions



Global
Tier 1 & 2 institutions¹

Approximately 50% of the total
\$12.5B Anti FinCrime solution
market is spent by global Tier
1 & 2 banks

Nasdaq, With Verafin, Is Now Strongly Positioned To Lead



Nasdaq's Established Anti-Financial Crime Franchise

17

Market
Regulators

35

Exchanges &
Markets

170+

Sell Side
Customers

19

of Top 20
Global FIs

~60

Tier 2 & Regional
Banks

Balanced Revenue Base by Region

Roughly equal revenue split across U.S.,
Canada, APAC and EMEA

Expanded Product Portfolio in Anti-Financial Crime

From Trade & Market Surveillance,
expansion into Data Discovery platform,
move into investigations management and
AML Automated Investigator

AML Automated Investigator

Partnership to target AML investigations
in Tier 1 & 2 Retail banks

Nasdaq and Verafin Together: The World's Leading Financial Crime Fighting Network

**Nasdaq is the partner
of choice for
global institutions**

- Global leadership in trade surveillance across Europe and APAC
- 300+ clients including 170+ Buy-Side & Sell-Side firms
- Long-standing relationships with leading Tier 1 and Tier 2 banks



**Verafin delivers
best in-class Anti FinCrime
solutions**

- Leading provider of AML and fraud solutions
- 2,000+ financial institutions in North America
- Cloud-deployed SaaS model
- Proven industry disruptor



**Combined platform
sets the stage for
unparalleled growth**

- Global AML provider that serves full spectrum of clients across AML, fraud and surveillance
- Combined capabilities of cloud enabled SaaS
- Agile product development, on NFF platform

Nasdaq's Growth and Position as an Anti FinCrime Leader

Combined Platform Sets the Stage for Unparalleled Growth Outlook



~\$225M

Nasdaq and Verafin's Banks & Brokers pro forma LTM'20 revenues

Opportunities Unlocked by Combination

- 1 Accelerate the development of full-service core Anti FinCrime suite to expand client relationships
- 2 Leverage Nasdaq's relationships to expand Verafin reach into Tier 1 and 2 banks
- 3 Expand Verafin into European banking and sell-side institutions

Market Technology's Enhanced Performance/Profile

13-16%

Market Technology organic revenue¹ growth outlook (medium-term CAGR)

50%

SaaS contribution to Market Technology pro forma 3Q20 revenues (up from 35% 3Q20)

**"Rule of 40"²
by 2023**

Achievement for Market Technology segment expected in 2023 versus prior outlook of 2025

¹ Refer to the non-GAAP information section of this release for a discussion of this and other non-GAAP measures.

² "Rule of 40" (growth + EBITDA margin = ~40%)

Meets All Of Nasdaq's M&A Criteria,
Catalyzes Higher Growth
And Raises Our Valuation Potential



Verafin Meets All of Nasdaq's Acquisition Criteria



Tight Strategic and Cultural Alignment

Advances our existing ambitions and accelerates our evolution as a SaaS-enabled technology and analytics provider



Enhances our Performance and Valuation Potential

Will accrete to Nasdaq's organic potential across our key enterprise-wide performance metrics:









- Recurring revenue growth
- Scalability
- Total Shareholder Return (TSR)



Clear/Consistent Financial Requirements¹

Creates economic value with attractive IRR, delivers earnings accretion by 2022, and meets our ROIC requirements

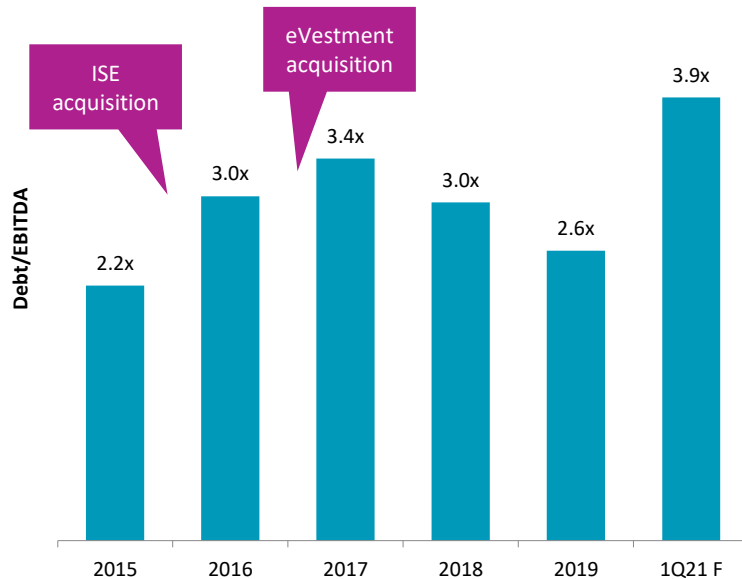
Improving Valuation Drivers

Metric	Prior ¹	Including Verafin	Change	Improved
Organic revenue growth outlook ¹ (medium-term)	5-7% Solutions Segments	6-9% Solutions Segments	 +100-200 basis points	
Market Technology and Investment Intelligence as a % of total net revenues	45% 3Q20	47% pro forma 3Q20	 +200 basis points	
SaaS as a % of ARR ¹	29% 3Q20 annualized	33% pro forma 3Q20 annualized	 +400 basis points	
ARR as a % of total revenues ¹	54% 3Q20 annualized	55% pro forma 3Q20 annualized	 +100 basis points	

¹ Refer to the non-GAAP information section of this release for a discussion of this and other non-GAAP measures.
Note: Organic revenue growth outlook refers to 3-5 year time frame assuming stable market backdrop.

Balance Sheet Considerations

Established Track Record of De-Leveraging After Acquisitions



Financing Plans

- Plan to finance through a combination of bonds, term loan, commercial paper and cash.
- Estimate average borrowing costs approximately 2.0% to 2.5% assuming current market conditions and rates.
- Expect to de-lever over time, consistent with our current investment grade ratings

Credit Considerations

- Strong track record of deleveraging after acquisitions
- Strong business model will continue to generate meaningful sustainable cash flow
- Adds to most visible and stable SaaS and ARR revenue streams

Conclusion - Creating the World's Leading Financial Crime Fighting Network

Verafin is a leader in combating Money Laundering & Fraud

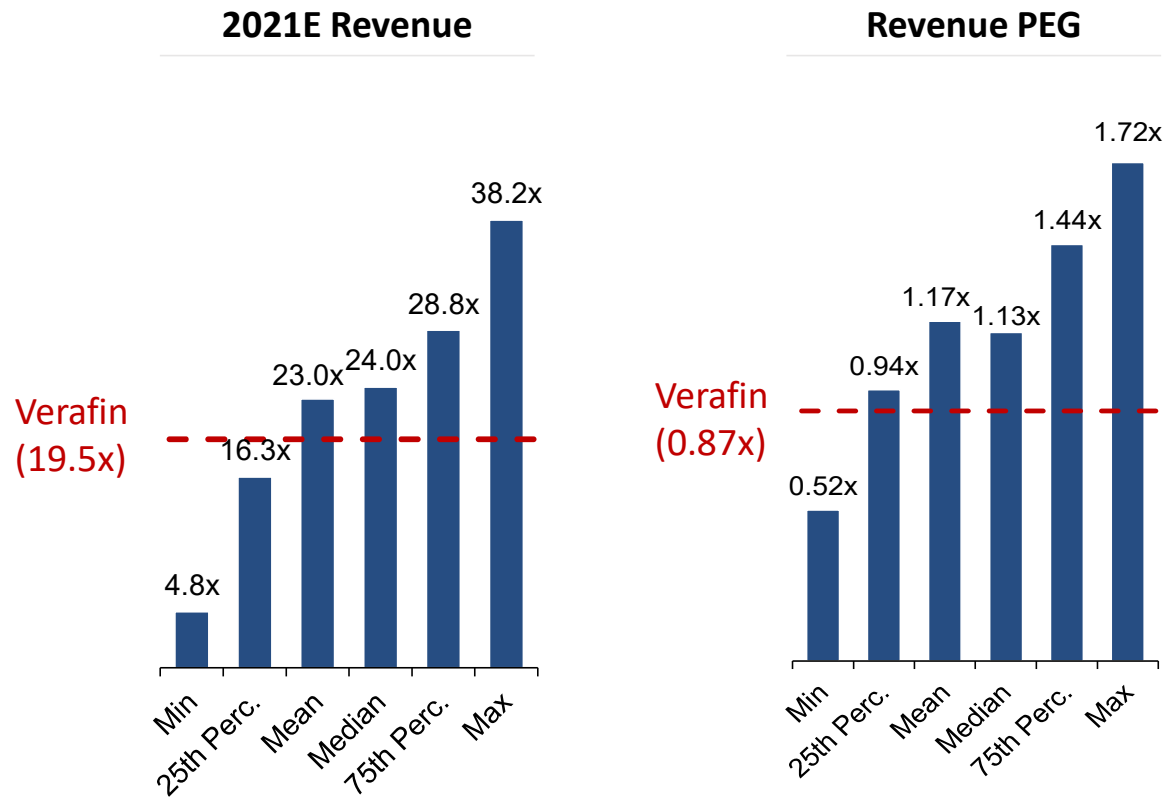
The combination of Nasdaq with Verafin creates a **leader in Anti FinCrime**

Catalyzes higher Nasdaq growth and raises our valuation potential



Appendix

U.S. Public Company SaaS Comparable Valuations



Disclaimers

Forward-Looking Statements

This communication contains forward-looking information related to Nasdaq, Verafin and the proposed acquisition of Verafin by Nasdaq that involves substantial risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied by such statements. When used in this communication, words such as "intends", "plans", "will", "believes," "expected," "projected" and similar expressions and any other statements that are not historical facts are intended to identify forward-looking statements. Forward-looking statements in this communication include, among other things, statements about the potential benefits of the proposed transaction, Nasdaq's plans, objectives, expectations and intentions, the financial condition, results of operations and business of Nasdaq or Verafin, and the anticipated timing of closing of the proposed transaction. Risks and uncertainties include, among other things, risks related to the ability of Nasdaq to consummate the proposed transaction on a timely basis or at all; Nasdaq's ability to secure regulatory approvals on the terms expected, in a timely manner or at all; Nasdaq's ability to successfully integrate Verafin's operations; Nasdaq's ability to implement its plans, forecasts and other expectations with respect to Verafin's business after the completion of the transaction and realize expected synergies; the ability to realize the anticipated benefits of the proposed transaction, including the possibility that the expected benefits from the proposed transaction will not be realized or will not be realized within the expected time period; the impact of Verafin's business model on Nasdaq's ability to forecast revenue results; disruption from the transaction making it more difficult to maintain business and operational relationships; risks related to diverting management's attention from Nasdaq's ongoing business operations; the negative effects of the announcement or the consummation of the proposed transaction on the market price of Nasdaq's common stock or on Nasdaq's operating results; significant transaction costs; unknown liabilities; the risk of litigation or regulatory actions related to the proposed transaction; future levels of Nasdaq's indebtedness, including additional indebtedness that may be incurred in connection with the proposed transaction; and the effect of the announcement or pendency of the transaction on Verafin's business relationships, operating results, and business generally.

Further information on these and other risk and uncertainties relating to Nasdaq can be found in its reports filed on Forms 10-K, 10-Q and 8-K and in other filings Nasdaq makes with the SEC from time to time and available at www.sec.gov. These documents are also available under the Investor Relations section of Nasdaq's website at ir.nasdaq.com. The forward-looking statements included in this communication are made only as of the date hereof. Nasdaq and Verafin disclaim any obligation to update these forward-looking statements, except as required by law.

Disclaimers

Supplemental Information

ARR for a given period is the annualized revenue of active contracts. ARR does not have any standardized definition and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

Non-GAAP Information

This press release includes certain non-GAAP financial measures, including organic revenue growth, non-GAAP EPS, non-GAAP EBITDA and ROIC.

Nasdaq and Verafin believe that these non-GAAP measures provide useful information to management and investors regarding certain financial and business trends relating to Verafin's financial condition and results of operations. Nasdaq's and Verafin's managements use certain of these non-GAAP measures to compare Nasdaq's and Verafin's performance to that of prior periods for trend analyses and for budgeting and planning purposes. Nasdaq and Verafin believe presentation of these measures provides investors with greater transparency and supplemental data relating to financial condition and results of operations.

Nasdaq's organic growth calculation methodology normally excludes acquired businesses from the measure until they have been part of Nasdaq for a full 12-month period. For purposes of providing the pro-forma impact of the Verafin acquisition, Verafin's forecasted results are included and the impact of purchase accounting write-down on deferred revenue is excluded in these measures.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces its usefulness as a comparative measure. Investors should not rely on any single financial measure when evaluating these businesses. This information should be considered as supplemental in nature and is not meant as a substitute for operating results in accordance with U.S. GAAP.

A reconciliation of non-GAAP forward looking information to their corresponding GAAP measures cannot be provided without unreasonable efforts due to the inherent difficulty in quantifying certain amounts due to a variety of factors, including the unpredictability in the movement in foreign currency rates, Nasdaq's effective tax rate as well as future charges or reversals outside of the normal course of business.